

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2008 OF THE CONDITION AND AFFAIRS OF THE

Arkansas Community Care, Inc.

NAIC Gro	·	IC Company Code <u>12282</u> Employ	er's ID Number20-2036444
Organized under the Laws of	(Current) (Prior) Arkansas	, State of Domicile or Port	of Entry Arkansas
Country of Domicile		United States of America	
Licensed as business type:	ŀ	lealth Maintenance Organization	
Is HMO Federally Qualified? Yes	s [X] No []		
Incorporated/Organized	01/31/2005	Commenced Busines	ss03/21/2005
Statutory Home Office	10025 W Markham St., Suite 220	,	Little Rock , AR 72205
	(Street and Number)		(City or Town, State and Zip Code)
Main Administrative Office		825 Washington St #300	
	Oakland , CA 94607	(Street and Number)	510-832-0311
(City o	or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	825 Washington St #300		Oakland , CA 94607
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)
Primary Location of Books and Ro	ecords	825 Washington St #300	
	0.11.1.04.04007	(Street and Number)	540,000,0044
(City o	Oakland , CA 94607 or Town, State and Zip Code)	,	510-832-0311 (Area Code) (Telephone Number)
Internet Website Address	W	ww.arkansascommunitycare.com	
		•	
Statutory Statement Contact	Stacy Elise Parsor (Name)	<u>S</u> ,	510-817-1815 (Area Code) (Telephone Number)
spar	sons@arcadianhealth.com		510-817-1895
	(E-mail Address)		(FAX Number)
		OFFICERS	
CEO President/ Secretary	John Harvey Austin Nancy Ellen Freeman	Treasurer/CF	FO Kenneth Benjamin Zimmerman
riesideni/ Secretary	Nancy Ellen Freeman		
	-	OTHER	
		IRECTORS OR TRUSTEES	
John Harvey	Austin	Nancy Ellen Freeman	Kenneth Benjamin Zimmerman
Chase Spence	Milbrandt	Cheryl Yvonne Perkins	
State of	California		
County of	Alameda SS:		
all of the herein described assets statement, together with related e condition and affairs of the said re in accordance with the NAIC Anr rules or regulations require diff respectively. Furthermore, the so	s were the absolute property of the said xhibits, schedules and explanations there eporting entity as of the reporting period fuel Statement Instructions and Account perences in reporting not related to accope of this attestation by the described	reporting entity, free and clear from any ein contained, annexed or referred to, is a stated above, and of its income and dedu- ing Practices and Procedures manual ex- ounting practices and procedures, acco- officers also includes the related corresp	id reporting entity, and that on the reporting period stated above r liens or claims thereon, except as herein stated, and that this full and true statement of all the assets and liabilities and of the ctions therefrom for the period ended, and have been completed cept to the extent that: (1) state law may differ; or, (2) that state ording to the best of their information, knowledge and belief onding electronic filing with the NAIC, when required, that is are g may be requested by various regulators in lieu of or in addition
John Harvey Aus CEO	in	Kenneth Benjamin Zimmerman Treasurer/CFO	Nancy Ellen Freeman President/Secretary
Subscribed and sworn to before n	ne this	b. If no,	al filing? Yes [X] No [] endment number

3. Number of pages attached.....

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199999 Total individuals						
Group Subscribers:						
0299998. Premiums due and unpaid not individually listed				29,498	29,498	
0299999. Total group	0	0	0	29,498	29,498	0
0399999. Premiums due and unpaid from Medicare entities	81,245	384, 183	466,556	1,160,064	0	2,092,048
0499999. Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13)	81,245	384, 183	466,556	1,189,562	29,498	2,092,048

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199998. Aggregate Pharmaceutical Rebate Receivables Not Individually Listed		330	52	9,738	9,738	382
0199999. Total Pharmaceutical Rebate Receivables	0	330	52	9,738	9,738	382
0299998. Aggregate Claim Overpayment Receivables Not Individually Listed	543,249	81,170	26,110	276,988	276,988	650,529
0299999. Total Claim Overpayment Receivables	543,249	81, 170	26,110	276,988	276,988	650,529
0399998. Aggregate Loans and Advances to Providers Not Individually Listed						
0399999. Total Loans and Advances to Providers	0	0	0	0	0	0
0499998. Aggregate Capitation Arrangement Receivables Not Individually Listed						
0499999. Total Capitation Arrangement Receivables	0	0	0	0	0	0
0599998. Aggregate Risk Sharing Receivables Not Individually Listed						
0599999. Total Risk Sharing Receivables	0	0	0	0	0	0
0699998. Aggregate Other Receivables Not Individually Listed				13,450	13,450	
0699999. Total Other Receivables	0	0	0	13,450	13,450	0
0799999 Gross health care receivables	543,249	81,500	26, 162	300, 176	300,176	650,911

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported) Aging Analysis of Unpaid Claims

Aging Analysis of Unpaid	Claims					
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
0199999. Individually listed claims unpaid	0	0	0	0	0	0
0299999. Aggregate accounts not individually listed- uncovered	207,455	115,333	9,407	216	0	332,411
0399999. Aggregate accounts not individually listed-covered	760,856	43,992	6,635	1	52	811,536
0499999. Subtotals	968,311	159,325	16,042	217	52	1,143,947
0599999. Unreported claims and other claim reserves						8,008,843
0699999. Total amounts withheld						
0799999. Total claims unpaid						9,152,790
0899999 Accrued medical incentive pool and bonus amounts	<u> </u>					42,555
0000000 Accided interlical interlitive pool and bolido amodino						42,000

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Adm	itted
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Arcadian Management Services	17,641					17,641	
0199999. Individually listed receivables	17,641	0	0	0	0	17,641	0
0299999. Receivables not individually listed							
0399999 Total gross amounts receivable	17,641	0	0	0	0	17,641	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Arcadian Health Plan, Inc.	General & Administrative costs paid by AHP.	1,596,440	1,596,440	
0199999. Individually listed payables		1,596,440	1,596,440	0
0299999. Payables not individually listed		0		
0399999 Total gross payables		1,596,440	1,596,440	0

EXHIBIT 7 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

					_	
	1	2	3	4	5	6
						Column 1
	Direct Medical	Column 1	Total	Column 3	Column 1	Expenses Paid to
	Expense	as a %	Members	as a %	Expenses Paid to	Non-Affiliated
Payment Method	Payment	of Total Payments	Covered	of Total Members	Affiliated Providers	Providers
Capitation Payments:						
1. Medical groups	0	0.0		0.0		
2. Intermediaries	0	0.0		0.0		
3. All other providers	981,323	1.8	7,464	100.0	0	981,323
4. Total capitation payments	981,323	1.8	7,464	100.0	0	981,323
Other Payments:						
5. Fee-for-service	7,546,310	13.9	XXX	XXX		7,546,310
6. Contractual fee payments	45,760,838	84.3	XXX	XXX		45,760,838
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	53,307,148	98.2	XXX	XXX	0	53,307,148
13. TOTAL (Line 4 plus Line 12)	54,288,471	100%	XXX	XXX	0	54,288,471

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

	EXHIBIT I ATT 2 COMMANT OF THATCACHOROWINI				
1	2	3	4	5	6
			Average		Intermediary's
			Monthly	Intermediary's	Authorized
NAIC Code	Name of Intermediary	Capitation Paid	Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
	_				
				t	
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

, , , , , , , , , , , , , , , , , , ,	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment	97,982	0	81,855	16, 127	16, 127	0
Medical furniture, equipment and fixtures						
Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	97,982	0	81,855	16, 127	16, 127	0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Arkansas Community Care, Inc.

2. Fort Smith, Texarkana, Fayetteville and Little Rock
(LOCATION)

								(LOCATION		
NAIC Group Code 3681 BUSINES	S IN THE STATE OF					DURING THE Y	EAR 2008	NAIC Com	12282	
	1		Hospital & Medical)	4	5	6	7	8	9	10
		2	3							
				Medicare	Vision	Dental	Federal Employees	Title XVIII	Title XIX	
	Total	Individual	Group	Supplement	Only	Only	Health Benefit Plan	Medicare	Medicaid	Other
Total Members at end of:										
1. Prior Year	4,445						-	4,445		
2. First Quarter	5,938						-	5,938		
3. Second Quarter	6,073							6,073		
4. Third Quarter	5,973							5,973		
5. Current Year	5,917							5,917		
6. Current Year Member Months	70,888							70,888		
Total Member Ambulatory Encounters for Year:										
7 Physician	70,852							70,852		
8. Non-Physician	60,270							60,270		
9. Total	131, 122	0	0	0	0	C	0	131,122	0	
10. Hospital Patient Days Incurred	13, 155							13,155		
11. Number of Inpatient Admissions	1,189							1,189		
12. Health Premiums Written (b)	53,626,334							53,626,334		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	53,626,334						- .	53,626,334		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	43,037,336							43,037,336		
18 Amount Incurred for Provision of Health Care Services	43,428,401							43,428,401		



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION
Arkansas Community Care, Inc.
2. Fort Smith and Texarkana
(LOCATION)

								(LOCATIO	N)	
NAIC Group Code 3681 BUSINESS	S IN THE STATE OF					DURING THE Y		NAIC Cor	npany Code	12282
	1	Comprehensive (Ho		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	870							870		
2. First Quarter	777						-	777		
3. Second Quarter	837							837		
4. Third Quarter	850							850		
5. Current Year	827							827		
6. Current Year Member Months	9,934							9,934		
Total Member Ambulatory Encounters for Year:										
7 Physician	8,710							8,710		
8. Non-Physician	9,942						-	9,942		
9. Total	18,652	0	0	0	0	0	0	18,652	0	
10. Hospital Patient Days Incurred	1,921							1,921		
11. Number of Inpatient Admissions	143							143		
12. Health Premiums Written (b)	7,532,473	0	0	0	0	0	0	7,532,473	0	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	7,532,473	0	0	0	0	0	0	7,532,473	0	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	5,825,526							5,825,526		
18 Amount Incurred for Provision of Health Care Services	5,878,460							5,878,460		



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

Arkansas Community Care, Inc. 2. Texarkana REPORT FOR: 1. CORPORATION (LOCATION)

								(LOCATION	N)	
NAIC Group Code 3681 BUSINES	SS IN THE STATE OF Texas					DURING THE YE			pany Code	12282
	1	Comprehensive (H	ospital & Medical) 3	4	5	6	7	8	9	10
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	510							510		
2. First Quarter	672							672		
3. Second Quarter	671							671		
4. Third Quarter	724							724		
5. Current Year	720							720		
6. Current Year Member Months	8,711							8,711		
Total Member Ambulatory Encounters for Year:										
7 Physician	6,770							6,770		
8. Non-Physician	6,043							6,043		
9. Total	12,813	0	0	0	0	0	0	12,813	0	
10. Hospital Patient Days Incurred	1,661							1,661		
11. Number of Inpatient Admissions	108							108		
12. Health Premiums Written (b)	6,945,562							6,945,562		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	6,945,562							6,945,562		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	5,425,611							5,425,611		
18 Amount Incurred for Provision of Health Care Services	5,474,912							5,474,912		



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION (LOCATION)

NAIC Group Code B	SUSINESS IN THE STATE OF	Grand Total				DURING THE YE	DURING THE YEAR 2008 NAIC Company Code				
	1	Comprehensive (F	Hospital & Medical)	4	5	6	7	8	9	10	
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other	
Total Members at end of:											
1. Prior Year	5,825	0	0	0	0	0	0	5,825	0		
2. First Quarter	7,387	0	0	0	0	0	0	7,387	0		
3. Second Quarter	7,581	0	0	0	0	0	0	7,581	0		
4. Third Quarter	7,547	0	0	0	0	0	0	7,547	0		
5. Current Year	7,464	0	0	0	0	0	0	7,464	0		
6. Current Year Member Months	89,533	0	0	0	0	0	0	89,533	0		
Total Member Ambulatory Encounters for Year:											
7 Physician	86,332	0	0	0	0	0	0	86,332	0		
8. Non-Physician	76,255	0	0	0	0	0	0	76,255	0		
9. Total	162,587	0	0	0	0	0	0	162,587	0		
10. Hospital Patient Days Incurred	16,737	0	0	0	0	0	0	16,737	0		
11. Number of Inpatient Admissions	1,440	0	0	0	0	0	0	1,440	0		
12. Health Premiums Written (b)	68, 104, 369	0	0	0	0	0	0	68, 104, 369	0		
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0		
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0		
15. Health Premiums Earned	68,104,369	0	0	0	0	0	0	68, 104, 369	0		
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0		
17. Amount Paid for Provision of Health Care Service	ces54,288,473	0	0	0	0	0	0	54,288,473	0		
18 Amount Incurred for Provision of Health Care S	ervices 54,781,773	0	0	0	0	0	0	54,781,773	0		

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed b	Reincured Company	viae of December 31 Current Vear
heinsurance Assumed Accident and health insurance Listed b	y nemsureu compani	y as of December 31, Current real

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company	Federal ID				Type of Reinsurance		Unearned	Reserve Liability Other Than for Unearned	Reinsurance Payable on Paid and	Modified Coinsurance	Funds Withheld
Code	Number	Date	Name of Reinsured	Location	Assumed	Premiums	Premiums	Premiums	Unpaid Losses	Reserve	Under Coinsurance
											
											
					1 1 1	·····					
		-									
					_						
									+		<u> </u>
		· · · · · · · · · · · · · · · · · · ·									
0399999 - T	otals										

SCHEDULE S - Part 2 Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

4	2	3	verable on Faid and Onpaid Losses Lis	sted by Reinsuring Company as of Dec	Finber 31, Current 16	7
1 NAIC	2	3	4	٦	Ö	1
Company	Federal ID	Effective				
Code	Number	Date	Name of Company	Location	Paid Losses	Unpaid Losses
0399999. To	otals - Life and	l Annuity			0	0
				225 TownPark Drive. Ste 145		
00744	05 4047054	0.1.10.1.10000		Kennesaw, GA 30144	100 750	
92711	35-1817054	01/01/2008	HCC Life Insurance Company	Domiciled in Indiana	163,753	0
0599999. Ad	ccident and He otals - Acciden	eaith - Non-Ail	illiates		163,753 163,753	0
0699999. 10	otals - Accider	п апо пеапп		1	103,733	U

				-		
0799999 To	tals - Life, Anr	nuity and Accid	dent and Health		163,753	0

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

	1		1	Ticinsulation Ocaca Accident a	na moann moan	arioc Elotod by Itomi	banning obmpany ao	or Booombor or, ours				
1	2	3	4	5	6	7	8	9	Outstanding	Surplus Relief	12	13
NAIC								Reserve Credit	10	11	Modified	
Company	Federal ID	Effective					Unearned Premiums	Taken Other than for			Coinsurance	Funds Withheld
Code	Number	Date	Name of Company	Location	Type	Premiums	(Estimated)	Unearned Premiums	Current Year	Prior Year	Reserve	Under Coinsurance
				225 TownPark Drive. Ste 145			,					
				Kennesaw, GA 30144								
92711	35-1817054	01/01/2008	HCC Life Insurance Company	Domiciled in Indiana	SSL/A/I	358.358	0	0	0	0	0	0
	Authorized Gen					358,358		0	0	0	0	0
	otal Authorized					358,358		0	0	0	0	0
	otal Unauthori					0	0	0	0	0	0	0
			orized General Account			358,358	0	0	0	0	0	0
	otal Authorized					0	0	0	0	0	0	0
	otal Unauthori					0	0	0	0	0	0	0
1499999. T	otal Authorized	d and Unautho	orized Separate Accounts			0	0	0	0	0	0	0
								_				
												
												
								ļ				
1599999 -	Totals	·	·	·	·	358,358	0	0	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company	2 Federal ID		4	5 Reserve Credit	6 Paid and Unpaid Losses Recoverable	7	8 Total Cols.	9	10 Trust	11 Funds Deposited by and Withheld	12	13 Miscellaneous Balances	14 Sum of Cols. 9+10+11+12+13 but not in Excess
Code	Number	Date	Name of Reinsurer	Taken	(Debit)	Other Debits	(5 + 6 + 7)	Letters of Credit	Agreements	from Reinsurers	Other	(Credit)	of Col. 8
		·											
				-									
				·····		·	·····						
					·····								
						<i></i>							
						······································							
								†			L		
													†
													+
1199999 -	Fotal												
1199999 -	Ulai			l				1					

SCHEDULE S - PART 5 Five Year Exhibit of Reinsurance Ceded Business (000 omitted)

	Tive rea	1	ance Ceded Busines	3	4	5
		2008	2007	2006	2005	2004
	A. OPERATIONS ITEMS					
1.	Premiums	0	0	0		
2.	Title XVIII - Medicare	358	398	81		
3.	Title XIX - Medicaid	0	0	0		
4.	Commissions and reinsurance expense allowance					
5.	Total hospital and medical expenses	54,510				
	B. BALANCE SHEET ITEMS					
6.	Premiums receivable					
7.	Claims payable	0	0	0		
8.	Reinsurance recoverable on paid losses	164	104	0		
9.	Experience rating refunds due or unpaid					
10.	Commissions and reinsurance expense allowances unpaid					
11.	Unauthorized reinsurance offset					
	C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12.	Funds deposited by and withheld from (F)	0	0	0		
13.	Letters of credit (L)	0	0	0		
14.	Trust agreements (T)	0	0	0		
15.	Other (O)	0	0	0		

SCHEDULE S - PART 6

		1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	18,141,996		18, 141, 996
2.	Accident and health premiums due and unpaid (Line 13)	2,092,048		2,092,048
3.	Amounts recoverable from reinsurers (Line 14.1)	163,751		163,751
4.	Net credit for ceded reinsurance	xxx	0	0
5.	All other admitted assets (Balance)	1,833,614		1,833,614
6.	Total assets (Line 26)	22,231,409	0	22,231,409
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	9,152,792		9, 152, 792
8.	Accrued medical incentive pool and bonus payments (Line 2)	42,555		42,555
9.	Premiums received in advance (Line 8)	0		0
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)	0		0
11.	Reinsurance in unauthorized companies (Line 18)	0		0
12.	All other liabilities (Balance)	2,558,139		2,558,139
13.	Total liabilities (Line 22)	11,753,486	0	11,753,486
14.	Total capital and surplus (Line 31)	10,477,922	XXX	10,477,922
15.	Total liabilities, capital and surplus (Line 32)	22,231,408	0	22,231,408
	NET CREDIT FOR CEDED REINSURANCE			
16.	Claims unpaid	0		
17.	Accrued medical incentive pool	0		
18.	Premiums received in advance	0		
19.	Reinsurance recoverable on paid losses	0		
20.	Other ceded reinsurance recoverables	0		
21.	Total ceded reinsurance recoverables	0		
22.	Premiums receivable	0		
23.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24.	Unauthorized reinsurance	0		
25.	Other ceded reinsurance payables/offsets	. 0		
26.	Total ceded reinsurance payables/offsets	0		
27.	Total net credit for ceded reinsurance	0		

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories Direct Business Only 2 3 5 6 Disability Income Long-Term Care Annuities Life (Group and Individual) (Group and (Group and (Group and Deposit-Type States, Etc. Individual) Individual) Individual) Totals Contracts 1. Alabama AL 2. Alaska AK AZ 3. Arizona .. Arkansas 5. California CA 6. CO Colorado ... 7. Connecticut CT 8. DE Delaware 9. District of Columbia DC 10. FL 11. Georgia GA Hawaii 12. HI 13. ID Idaho 14. Illinois IL 15. Indiana IN 16.IA lowa 17. KS 18. Kentucky KY 19. Louisiana LA 20. ME 21. MD Maryland 22. Massachusetts MA 23. Michigan MI 24. Minnesota MN 25. Mississippi MS 26. MO Missouri 27. Montana 28. Nebraska 29. Nevada 30. New Hampshire 31. New Jersey 32. New Mexico 33. New York North Carolina NC 34. 35. North Dakota ND 36. OH 37. Oklahoma OK 38. OR Oregon 39. Pennsylvania PA 40. Rhode Island RI 41. South Carolina SC 42. South Dakota SD 43. Tennessee TN Texas TX 45. UT Utah 46. Vermont VT VA 47. Virginia 48. Washington WA 49. West Virginia WV 50. Wisconsin WI 51. Wyoming 52. American Samoa AS GU 53. Guam Puerto Rico PR 55. U.S. Virgin IslandsVI 56. Northern Mariana Islands MP 57. Canada CN Aggregate Other Alien OT 58. Total 59.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

	1 ALL =	COMMA			IIIAIIOAC	VIIOIA2 W		~: : : -			
1 2	3	4	5	6	7	8	9	10	11	12	13
					Income/						
					(Disbursements)						
				Purchases, Sales	Incurred in						Reinsurance
				or Exchanges of	Connection with		Income/		Any Other Material		Recoverable/
				Loans, Securities,	Guarantees or		(Disbursements)		Activity Not in the		(Payable) on
NAIC				Real Estate,	Undertakings for	Management	Incurred Under		Ordinary Course of		Losses and/or
Company Federa		Shareholder	Capital	Mortgage Loans or	the Benefit of any	Agreements and	Reinsurance		the Insurer's		Reserve Credit
Code Numb		Dividends	Contributions	Other Investments	Affiliate(s)	Service Contracts	Agreements	*	Business	Totals	Taken/(Liability)
86-083659	J	0	(7, 139, 544)	0	0	14,523,746	0		(1,500,000)	5,884,202	
12151 20-100134	48 Arcadian Health Plan, Inc	0	(2,560,000)	0	0	(9,203,955)	0		0 L	(11,763,955)	
12282 20-203644	14 Arkansas Community Care, Inc	0	3,600,000	0	0	(2,355,829)	0		0	1,244,171	
12628 20-508961	11 Arcadian Health Plan of Georgia, Inc	0 L	1,250,000	0	0	(920,954)	0		0	329,046	
11954 20-868898	33 Arcadian Health Plan of Louisiana, Inc	0	1,500,000	0	0	(1,052,731)	0	1	0	447,269	
12999 26-050082	28 Arcadian Health Plan of North Carolina,										
	Inc	0 L	2,850,000	0	0	(990,277)	0		0	1,859,723	
13558 26-280028	Arcadian Health Plan of New York, Inc.	0	499.544	0	0	0	0		1,500,000	1.999.544	
	,								, , , , , , , , , , , , , , , , , , , ,	, , , , ,	
								···	T		
									†		
									 		
									 		
								···	+		
									 		
								·			
						1			4		
9999999 Control Totals	s	0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions. Responses

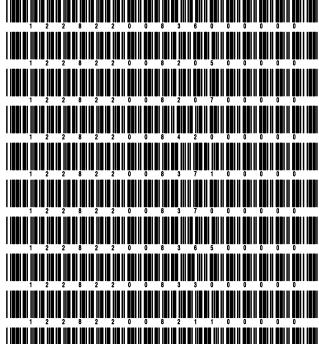
	following the interrogatory questions.	Responses
	MARCH FILING	<u> </u>
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	
4.	Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will Management's Discussion and Analysis be filed by April 1?	
6.	Will the Supplemental Investment Risks Interrogatories be filed by April 1?	
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
_	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	
	The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONI be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide interrogatory questions.	E" report and a bar code will
_	MARCH FILING	
9.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	
10.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	
11.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	***
12. 13.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13.	be filed with the state of domicile and electronically with the NAIC by March 1?	NO
14.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
15.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	
	APRIL FILING	110
16.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO NO
17.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	
18.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? Explanations:	NO
9.	Explanations.	
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
	Bar Codes:	
9.	Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]	
10.	Life Supplement [Document Identifier 205]	
11.	Property/Casualty Supplement [Document Identifier 207]	
12.	SIS Stockholder Information Supplement [Document Identifier 420]	
13.	Participating Opinion for Exhibit 5 [Document Identifier 371]	
14.	Non-Guaranteed Opinion for Exhibit 5 [Document Identifier 370]	
15.	Medicare Part D Coverage Supplement [Document Identifier 365]	
16	Long-Term Care Experience Reporting Forms [Document Identifier 330]	

Life Supplement [Document Identifier 211]

[Document Identifier 213]

Property/Casualty Supplement Insurance Expense Exhibit

18.



P&C Supplement - Schedule P - Part 1T - Warranty NONE

P&C Supplement - Schedule P - Part 2T - Warranty NONE

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Nonadmitted Assets	16
Analysis of Operations By Lines of Business	7
Assets	
Cash Flow	
Exhibit 1 - Enrollment By Product Type for Health Business Only	
Exhibit 2 - Accident and Health Premiums Due and Unpaid	
Exhibit 3 - Health Care Receivables	
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	
Exhibit 7 - Part 1 - Summary of Transactions With Providers	
Exhibit 8 - Furniture, Equipment and Supplies Owned	
Exhibit of Capital Gains (Losses)	
Exhibit of Net Investment Income	
Exhibit of Premiums, Enrollment and Utilization (State Page)	
Five-Year Historical Data	
General Interrogatories	
Jurat Page	
Liabilities, Capital and Surplus	
Notes To Financial Statements	
Overflow Page For Write-ins	
Schedule A - Part 1	
Schedule A - Part 2	
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	
Schedule D - Part 1	
Schedule D - Part 1A - Section 1	
Schedule D - Part 1A - Section 2	
Schedule D - Part 2 - Section 1	
Schedule D - Part 2 - Section 2	
Schedule D - Part 3	
Schedule D - Part 4	
Schedule D - Part 5	
Schedule D - Part 6 - Section 1	
Schedule D - Part 6 - Section 2	
Schedule D - Summary By Country	
Schedule D - Verification Between Years Schedule DA - Part 1	
Schedule DA - Verification Between Years	
Schedule DB - Part A - Section 2	
Schedule DB - Part A - Section 3	
Schedule DB - Part A - Section 5 Schedule DB - Part A - Verification Between Years	
Schedule DB - Part B - Section 1	
Schedule DB - Part B - Section 2	
Schedule DB - Part B - Section 3	
Schedule DB - Part B - Verification Between Years	
Schedule DB - Part C - Section 1	
Schedule DB - Part C - Section 2	
Schedule DB - Part C - Section 3	
Schedule DB - Part C - Verification Between Years	
Schedule DB - Part D - Section 1	
Schedule DB - Part D - Section 2	
Schedule DB - Part D - Section 3	E23
Schedule DB - Part D - Verification Between Years	SI13
Schedule DB - Part E - Section 1	E24
Schedule DB - Part E - Verification	SI13
Schedule DB - Part F - Section 1	SI14
Schedule DB - Part F - Section 2	SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule E - Part 1 - Cash	E25
Schedule E - Part 2 - Cash Equivalents	
Schedule E - Part 3 - Special Deposits	E27
Schedule E - Verification Between Years	SI16
Schedule S - Part 1 - Section 2	30
Schedule S - Part 2	31
Schedule S - Part 3 - Section 2	32
Schedule S - Part 4	33
Schedule S - Part 5	34
Schedule S - Part 6	35
Schedule T - Part 2 - Interstate Compact	37
Schedule T - Premiums and Other Considerations	36
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	39
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	40
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14